

May 13, 2020

Mr. Robert Burrough  
Director, Eastern Region  
PHMSA, U.S. Department of Transportation  
840 Bear Tavern Road, Suite 300  
West Trenton, NJ 08628

Re: CPF 1-2020-5003, Explanation Relevant to Proposed Compliance Order

Dear Mr. Burrough:

IMTT-Pipeline (IMTT) confirms receipt of Notice of Probable Violation (NOPV) and Proposed Compliance Order CPF 1-2020-5003. IMTT does not contest the findings and respectfully submits the following information documenting completed actions and a plan to address the few outstanding items.

**Proposed Compliance Order #1 [§195.412(b)]:**

IMTT must conduct inspections of the pipeline navigable waterway crossing identified in the notice in accordance with §195.412(b). IMTT must complete these inspections and submit documentation of the inspection results to PHMSA within 180 days of receipt of the Final Order.

**Completed Actions:**

Inspections have been completed, as noted below.

IMTT's 12" Linden – Bergen Point Pipeline includes navigable waterway crossings of Newark Bay and the Arthur Kill. These crossings were installed by means of horizontal directional drills and the pipeline is located more than 40 feet below the floor of the navigable waterway. The navigable waterway portions of the pipeline were inspected by in-line inspection (ILI) in November 2016 (as part of ILI for the entire length of the pipeline), by depth of cover (DOC) survey in August 2018, and through close-interval survey (CIS) in December 2018.

Listed below are inspection documentation of the navigable waterway crossings for the 12" Linden – Bergen Point Pipeline:

- **In-Line Inspection**
  - IMTT-PIPELINE -PIPELINE INTEGRITY MANAGEMENT PROGRAM – In-Line Inspection Post Assessment Report 12" Bergen – Linden
    - Inspection date November 8, 2016, Integrity Solutions® Ltd's Post-Assessment Report October 12, 2017
    - File name: IMTT Bergen-Linden PAR FINAL.pdf
    - Findings: The ILI called out 763 anomalous conditions for the entire pipeline. Two of the anomalies were classified as 180-day repair conditions, both of which were identified in 2012 and previously repaired, and neither of which were within the

navigable waterway crossings. The Newark Bay crossing contained 22 anomalous callouts, none of which met the IMP classifications for a required repair condition. The Arthur Kill crossing contained one anomalous callout, which also did not meet the IMP classification for a repair condition. A reassessment interval of 5 years (2021 for next inspection) was determined to be justified for the pipeline.

- **Depth of Cover Survey**

- IMTT-PIPELINE -Bayonne, NJ Inspection Report – Depth of Cover Survey 12" Oil Line Bergen Pt – Linden NJ Pipeline

- Inspection date: August 30, 2018
- Report: PCA Engineering Report dated January 2019, Job No. 36253.
- File name: 36253 IMTT Depth of Cover Survey Report-1.pdf
- Findings: As noted above, the waterbody crossings were installed by means of directional drill more than 40 feet below the floor of the navigable waterway crossings. The 2018 inspection included a fathometer survey of the river bottom elevations that confirmed the pipeline crossings are well below the river bottoms.

- **Newark Bay Crossing (Including Bergen Pt. Channel and Shooter's Island Channel)**

- IMTT-PIPELINE -Bayonne, NY Inspection Report – Newark Bay CIS Survey

- Inspection date: December 7 and 13, 2018
- Report: PCA Engineering Report dated March 2019, Job No. 36280.
- File name: 36280 Newark Bay Report Final Report R-2.pdf
- Findings: The length of pipeline is cathodically protected

- **Arthur Kill Crossing**

- IMTT-PIPELINE -Bayonne, NY Inspection Report – Arthur Kill CIS Survey

- Inspection date: December 7, 2018
- Report: PCA Engineering Report dated March 2019, Job No. 36280.
- File name: 36280 Arthur Kill Report Crossing Final Report.pdf
- Findings: The length of pipeline is cathodically protected

Based on these inspection results, IMTT has concluded that—per regulatory classification requirements—only monitored conditions for external and internal corrosion remain, following the 2016 ILI; no concerns remain unaddressed from the 2018 CIS and DOC inspections.

**Proposed Compliance Order #2 4[§195.573(a)(I)]**

IMTT must complete a cathodic protection survey that includes all noted test stations and submit the results of the survey to PHMSA within 120 days of receipt of the Final Order. IMTT must then correct any cathodic protection deficiencies discovered during this survey and provide PHMSA documentation of remedial measures within 180 days of receipt of the Final Order.

**Completed Actions:**

Cathodic protection survey has been partially completed, as noted below.

IMTT completed the most recent cathodic protection survey in November 2019. All test stations listed in the Proposed Compliance Order were addressed with a single exception. The exception (test station 20) is noted below along with the corrective action plan.

- **Cathodic Protection Survey**

- Annual Cathodic Protection Survey IMTT-pipeline – Sun Oil Logistics Linden, NJ to IMTT Bergen Point Bayonne, NJ and IMTT 5<sup>th</sup> Street Terminal Bayonne, NJ November 2019 prepared by PCA Engineering, PCA Job No. 37361.
  - File name: 37361\_IMTT\_12-inch\_Linden-Bergen\_Annual\_Report\_2019 R-1.pdf

Listed are the Proposed Compliance Order noted test stations along with the November 2019 survey results (page numbers below are from the survey report listed above):

- No. 7 test station (T/S) – meets criteria (-1.630 on, -1.430 off, in VDC), per listing on p. 13 of report
- No. 8 T/S – meets criteria (-1.110 on, -0.960 off, in VDC), per listing on p. 13 of report
- No. 15 T/S – meets criteria (-1.270 on, -1.090 off, in VDC), per listing on p. 13 of report
- **No. 20 T/S** – *was unable to be surveyed due to wet and marsh-like conditions.*
- No. 56 T/S – meets criteria (-0.922 VDC "off" reading, based on greater than 100mV shift from native potential of -0.600 VDC for pipeline), per listing on p. 16 of report
- No. 57 T/S – meets criteria (-0.828 VDC "off" reading, based on greater than 100mV shift from native potential of -0.600 VDC for pipeline), per listing on p. 16 of report
- No. 58 T/S – meets criteria (-1.131 VDC "off" reading, based on greater than 100mV shift from native potential of -0.600 VDC for pipeline), per listing on p. 16 of report
- No. 33 T/S – meets criteria (-1.396 VDC off), per listing on p. 14 of report
- No. 34 T/S – meets criteria (-1.145 VDC off), per listing on p. 14 of report
- No. 35 T/S – meets criteria (-1.180 on, -1.180 VDC off), per listing on p. 14 of report
- No. 36 T/S – meets criteria (-1.045 VDC off), per listing on p. 14 of report
- No. 37 T/S – meets criteria (-1.080 on, -1.020 VDC off), per listing on p. 14 of report
- No. 38 T/S – meets criteria (-1.331 on, -1.240 VDC off), per listing on p. 14 of report

**Planned Remedial Actions:**

IMTT will have Test Station No. 20 resurveyed and will provide the results to PHMSA within the noted 180 days of receipt of the Final Order (due 10/11/2020). Because of the marsh-like location of this test station, IMTT is currently evaluating the potential elimination or relocation of this test station, or the potential installation of remote monitoring equipment.

**Proposed Compliance Order #3 [§195.573(e)]:**

IMTT must correct all noted cathodic protection deficiencies and submit documentation demonstrating completed remedial action to PHMSA within 120 days of receipt of the Final Order.

**Completed Actions:**

Cathodic protection survey has been partially completed, as noted below

IMTT completed the most recent cathodic protection survey in November 2019. All test stations listed in the Proposed Compliance Order were addressed, with three (3) exceptions. The exceptions (test stations 4, 51, and 52) are noted below along with corrective action plans.

- **Cathodic Protection Survey**

- Annual Cathodic Protection Survey IMTT-pipeline – Sun Oil Logistics Linden, NJ to IMTT Bergen Point Bayonne, NJ and IMTT 5<sup>th</sup> Street Terminal Bayonne, NJ November 2019 prepared by PCA Engineering, PCA Job No. 37361.
  - File name: 37361\_IMTT\_12-inch\_Linden-Bergen\_Annual\_Report\_2019 R-1.pdf

Listed are the Proposed Compliance Order noted test stations along with the November 2019 survey results (page numbers below are from the cathodic protection survey report listed above):

- No. 3 T/S – meets criteria (1.150 on, 0.980 off, in –VDC), per listing on p. 13 of report
- **No. 4 T/S** – *was unable to be surveyed.*
- No. 11 T/S – This test station was isolated from the pipe during the installation of a new deep well, and is no longer in use, and will be removed from survey lists going forward.
- No. 17 T/S – This test station is no longer in existence due to a pipe replacement project completed in early 2020. Additionally, the rectifier associated with this particular segment of pipe was replaced in early 2020. The new test stations and rectifier readings will be identified and included in the 2020 CP survey.
- No. 18 T/S – meets criteria (1.150 on, 1.040 off, in –VDC), per listing on p. 13 of report
- **No. 51** – *does not meet criteria (0.867 on, 0.830 off, in –VDC), per listing on p. 15 of report. An alternating current voltage gradient (ACVG) survey was performed in November, 2019 and an ongoing "isolation test" project has been implemented to help improve protection at this section of the pipeline.*
- **No. 52**– *does not meet criteria (0.808 on, 0.760 off, in –VDC), per listing on p. 15 of report once the isolation test project is completed, a Native Potential Survey will be performed to confirm results.*
- No. 54 – meets criteria (1.391 off, in –VDC), per listing on p. 16 of report
- No. 56 – meets criteria (0.922 off, in –VDC), per listing on p. 16 of report
- No. 30 T/S – meets criteria (–1.008 VDC off), per listing on p. 14 of report
- No. 34 T/S – meets criteria (–1.145 VDC off), per listing on p. 14 of report

**Planned Remedial Actions:**

IMTT will complete the following test station remedial actions and will provide the results to PHMSA within the noted 120 days of receipt of the Final Order (due 8/12/2020):

- No. 4 T/S – IMTT will have this test station resurveyed and provide results.
- No. 51 T/S – IMTT will provide results of the ACVG survey and isolation test project, currently underway, along with associated mitigation activities.
- No. 52 T/S – IMTT will provide results of a native potential survey, as compared to an ON-OFF survey to confirm the level of protection, along with associated mitigation activities.

**Proposed Compliance Order #4:**

It is requested (not mandated) that IMTT maintain documentation of the safety improvement cost associated with fulfilling this Proposed Compliance Order.

**Response:**

The estimated total cost associated with overall PHMSA compliance, preparation/revisions of plans, procedures, studies, analyses and other changes to pipeline infrastructure from 2018 to 2020 is \$1,171,036.

IMTT will continue working to address the outstanding items and will provide a completion status update by August 12, 2020. Please let me know if you have any questions or need additional information.

Sincerely,

Richard Ambrosio  
Director of Operations  
IMTT-Pipeline

**Attachments:**

*IMTT Bergen-Linden PAR FINAL 10-12-17.pdf*  
*36253 IMTT Depth of Cover Survey Report-1.pdf*  
*36280 Arthur Kill Report Crossing Final Report.pdf*  
*36280 Newark Bay Report Final Report R-2.pdf*  
*37361\_IMTT\_12-inch\_Linden-Bergen\_Annual\_Report\_2019 R-1.pdf*